

You had cartels that were willing to pay kickbacks but would also bid up the price of goods, said Ali Allawai, a former World Bank official who is now interim Iraqi trade minister. You had rings involved in supplying shoddy goods. You had a system of payoffs to the bourgeoisie and royalty of nearby countries.

Everybody was feeding off the carcass of what was Iraq.

The UN Security Council first imposed a trade embargo on Iraq on Aug. 9, 1990, one week after Saddam's invasion of Kuwait. It has kept in place after the Gulf war in 1991, with the provision that sanctions would be lifted after Iraq destroyed its unconventional weapons and ended its weapons program.

But as living conditions deteriorated, the council made several offers to let Iraq export limited quantities of oil to buy food and medicine. The two sides agreed on a mechanism only in 1966.

In 1999, Iraq was permitted to sell as much oil as it wanted, with the proceeds going into an escrow account at Banque Nationale de Paris, supervised by the United Nations. The new rules also allowed Iraq to sign its own contracts for billions of dollars in imported goods.

As ministry officials and government documents portrayed it, the oil-for-food program quickly evolved into an open bazaar of payoffs, favoritism and kickbacks.

The kickback scheme worked, they said, because the payoffs could be included in otherwise legitimate supply contracts negotiated directly by the former government and then transferred to Iraq once the United Nations released funds to pay the suppliers.

We'd accept the low bid and say to the supplier, "Give us another 10 percent" said Faleh Khawaji, an Oil Ministry official who used to supervise the contracting for spare parts and maintenance equipment. "So that was added to the contract. If the bid was for \$1 million, for example, we would tell the supplier to make it \$1.1 million."

The contract would then be sent to the U.N. sanctions committee, which was supposed to review contracts with an eye only to preventing Iraq from acquiring items that might have military uses. The kickbacks were paid into Iraq's accounts, and designated ministry employees withdrew the cash and brought it to Baghdad on a regular basis, according to Khawaji and Iraqi financial records.

U.S. and European investigators said they were trying to determine whether the banks knew they were being used for illegal financial dealings with Iraq.

Under the oil-for-food program rules, the United Nations' oil overseers had to certify that Iraq was selling its crude oil at fair value. Until the overseers changed the pricing formula in late 2001, Iraq's oil sold at a discount compared with similar oil from other producers.

At the same time, Oil Ministry officials said, purchasers of Iraqi oil were required to pay a surcharge, either in cash or by transferring money into Iraqi accounts in foreign banks.

When oil companies complained to the United Nations about the per-barrel surcharges, Iraq levied higher charges on ships loading at its port.

When Dr. Khidr Abbas became Iraq's Interim minister of health 6 months ago, he discovered some of the effects of Saddam's political manipulation of the oil-for-food program.

After a review of the ministry's spending, he said, he canceled \$250 million worth of contracts with companies he believed were fronts for the former government or got contracts only because they were from countries friendly to Saddam.

[From the Washington Times, Mar. 11 2004]
BUSH'S "GRAND STRATEGY"—OVERLOOKED BY
LIBERAL HISTORIANS
(By Bill Sammon)

An influential Democratic historian has credited President Bush with instituting one of only three "grand strategies" in the history of U.S. foreign policy by trading in the doctrine of containment for pre-emption.

John Lewis Gaddis of Yale said his fellow historians have not paid sufficient attention to the importance of Mr. Bush's sweeping overhaul of U.S. foreign policy because they are blinded by their liberal bias.

He also accused former President Bill Clinton of failing to adequately address global threats that gathered on his watch.

"The Bush team really did, in a moment of crisis, come up with a very important statement on grand strategy, which has not been taken as seriously as it should have been taken, particularly within the academic community," Mr. Gaddis said in an interview.

The eminent Cold War historian makes his argument in the new book called "Surprise, Security and the American Experience," published by Harvard University Press, which has caught the attention of National Security Adviser Condoleezza Rice and other White House advisers.

It also has earned the derision of Sen. John Kerry's presidential campaign.

"There's nothing visionary about a reckless, arrogant and rigidly ideological foreign policy that's lost America influence and cooperation in the world to win the war on terror," said David Wade, a spokesman for the Massachusetts Democrat.

Mr. Gaddis writes that America's three grand strategies were instituted by Mr. Bush, John Quincy Adams and Franklin Delano Roosevelt. All three strategies were prompted by rare, catastrophic attacks on America by foreign enemies.

In 1814, after the British burned the White House, Adams, then secretary of state, resolved to secure America through pre-emptive continental expansion, a grand strategy that endured for a century.

After the Japanese attack on Pearl Harbor prompted the United States to lead the Allies to victory in World War II, Roosevelt and his successors as president went about securing America through a grand strategy that came to be known as containment of communism. But that strategy became obsolete when the Cold War ended shortly before Mr. Clinton took office.

"The Clinton administration was somewhat like the Harding and Coolidge administration after World War I," Mr. Gaddis said. "There was the sense that the war had been won, the fundamental processes in world politics were favorable to us, and therefore you could just kind of sit back and let them run."

But these processes of globalization and self-determination during the Clinton administration did nothing to stop terrorists from using minimal resources to inflict massive death and destruction against the United States and its interests.

The former president did not act decisively to head off this gathering threat, Mr. Gaddis said.

"It just seems to me that any good strategist would be unwise to sit back and assume that things are going our way," he said. "You ought to be thinking through how what appear to be favorable trends can produce backlashes."

Such a backlash occurred on September 11, 2001, necessitating a new grand strategy, which was implemented by Mr. Bush.

The strategy included pre-emptive attacks on enemies such as Iraq that had the poten-

tial to use weapons of mass destruction, an aggressive push to democratize the Middle East and an unwillingness to be constrained by international organizations such as the United Nations.

Although Mr. Gaddis faults the president for not gathering sufficient international support before the invasion of Iraq and underestimating the challenges of postwar Iraq, the professor supported Operation Iraqi Freedom.

Many other academics opposed the war, making them reluctant to credit the president for a change in U.S. foreign policy that could very well endure for the next half-century, Mr. Gaddis said.

"The academic world is of course predominantly liberal, predominately Democratic, so there is a predisposition to be less critical of a Democratic administration than there is a Republican administration," he said.

Mr. Gaddis, who described himself as a "very long-term, disillusioned Democrat who still has hope for the Democratic Party," disputed the liberal stereotype of the president as a lightweight.

"There certainly has been a tendency to underestimate Bush himself and to view him in the way that Reagan was viewed when he first came in—as being a cipher, manipulated by his own advisers," he added. "That turned out not to be true of Reagan, and it's turning out not to be true of Bush as well."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. ISSA). The Chair would remind all Members not to make personally offensive references to Members of the Senate, even if not by name but by inference, including candidates for President.

WESTERN UNITED STATES STUDENTS ARE TREATED UNFAIRLY BECAUSE OF LARGE PORTIONS OF LAND OWNED BY FEDERAL GOVERNMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. BISHOP) is recognized for 5 minutes.

Mr. BISHOP of Utah. Mr. Speaker, I wish to present a situation to the body that is somewhat unique which we in the West will be talking about in greater detail and more frequently as time goes on. I feel competent in being able to address this issue, because before I joined this august body I spent 16 years in the Utah legislature as Speaker at the end; but all 16 years I was a member of the Public Education Finance Committee, or Appropriations Committee. I also, as I have frequently mentioned on this floor, served for 28 years as a high school teacher before I joined this group. Even though I recognize that money does not equal education excellence and we can do many things to improve our education system without money, at some time, we still have to build schools, and teachers at some time still have to eat.

So I wish to present before the body three factual phenomena of which my colleagues may not be aware. First of all, the fastest growth in the student